

The Tumbler of Turtle Bay: As Trump Monster Surpasses U.N., Alberto Vilar Puts Up \$1 Million

1. by Andrew Rice | 7:00 PM March 5, 2000

| Tags:

Alberto Vilar

Scott Cooley

United Nations

The Trump World Tower, Donald Trump's controversial Turtle Bay construction project, has now reached 39 stories-the exact same number of floors as there are in the United Nations headquarters across the street.

But even as it outgrows the U.N., its opponents refuse to accept it. They still believe they can make the "monster" go away.

That is why Alberto Vilar, a 59-year-old fund manager who has made hundreds of millions of dollars making bets on risky stocks, is bankrolling his neighbors' desperate legal fight against the tower. From his two-floor, 30-room apartment in the U.N. Plaza, Mr. Vilar has watched Mr. Trump's aspiring colossus encroach upon his fabulous view of the midtown skyline. All but the spire of the Empire State Building has disappeared behind the tower. Soon the Chrysler Building will be gone, too. But he sincerely believes that he has a shot at halting the construction and forcing Mr. Trump to settle for a building half its size.

Mr. Vilar has promised to sink \$1 million or more into this long, perhaps quixotic, legal fight. Mr. Trump has scoffed at claims that he violated the zoning code when he quietly purchased air rights sufficient to build his tower 70 stories tall, 861 feet in the air, which would make it the tallest residential building in the world. But Mr. Vilar thinks he has a case.

"Let me tell you: I'm not dumb enough to want to take on a major corporation that is just going to deduct those [legal] expenses," Mr. Vilar said in a recent interview in his Park Avenue office. He is a lanky man with a professorial manner, whose clipped speech betrays no hint of his Cuban roots. "I mean, this is my money, and this is a million bucks that Carnegie Hall or the Met is not going to get. Nobody's so rich that they can say, 'Here's a million dollars for a lawsuit.'"

Thus far, though, Mr. Vilar has lost every round to Mr. Trump. Most recently, in December, a New York Supreme Court judge ruled that city agencies "had a rational

basis" for giving Mr. Trump the go-ahead.

Undeterred, Mr. Vilar is opening his wallet even wider in an effort to cut the building down to size. He and his allies are appealing the judge's ruling. Oral arguments are scheduled to begin March 23. For the appeal hearing, he has brought in Arnold & Porter's Peter Zimroth, a trial and appellate lawyer who served as the city's corporation counsel under Mayor Ed Koch.

Like Mr. Trump, Mr. Vilar is not accustomed to losing. He said that everyone he talks to tells him, "'Give up the ghost.' I mean, you've got this huge development organization, and they can spend money until they take themselves and their partners down."

But he has made a career out of ignoring such advice. He has spent decades building his fund business by investing in companies whose prospects were far from assured. His bets-on the new technology of semiconductors in the 70's, on little companies called Microsoft and Intel in the 80's, on Internet stocks in the 90's-almost always turned out to be good ones, and they have transformed the investment firm he manages, Amerindo Investment Advisors Inc., into a \$6.5 billion behemoth. His \$712 million mutual fund returned 250 percent last year, ranking Mr. Vilar among the top mutual-fund managers in the country.

Despite his relative anonymity, Mr. Vilar clearly craves the attention of the Wall Street star-making machine. In a recent article in Fortune , he complained that Roger McNamee, a P.R.-savvy tech fund manager, gets more attention than he does from the money press. "In my wallet I have more money than this guy manages," he griped to the magazine.

"It's safe to say that Vilar will never be accused of being a humble man," said Scott Cooley, who has followed Mr. Vilar for years as a senior analyst at Morningstar, a Chicago-based clearinghouse for investment information. "Based upon the comments he has made publicly, it is clear that his ego rivals the Donald's. However, I must say that he has the record to support that view."

Seymour Flug, the retired Diners Club chairman who lives next door to Mr. Vilar and heads the group of residents opposing Mr. Trump's tower, said that on a personal level Mr. Vilar is unassuming-the type of neighbor who sends written notes of apology in advance whenever he plans to have people over.

Indeed, through the spring and fall, when residents were fighting Mr. Trump at public hearings and in the newspapers, Mr. Vilar was content to cede the spotlight to neighbor Walter Cronkite and Mr. Flug, who for his part said, "Without [Mr. Vilar's] financial support, we never could have gotten the lawyers we have."

Mr. Vilar wouldn't disclose his net worth, though he said it's several hundred million dollars. But he was happy to compare himself to Mr. Trump.

"I mean, his company went public, and as I understand it, it bombed. It went straight down," he said. "I have zero debt, he's got huge debt. My firm is extremely profitable."

But he said the fight is not personal: "This is not 'Vilar versus Trump.' It may be implicitly, but this is about the private citizens of New York and the protection of their zoning rights."

Mr. Trump said, "I've never heard of Mr. Vilar," though by now he must have, since he has given that same quote to everyone who has asked him about his World Tower nemesis. Throughout, Mr. Trump has preferred to see his opponents as "a few wealthy people who have lost their views."

During his interview with The Observer, Mr. Vilar responded to that characterization by turning over a company report and pulling out a pen. On the blank side of the page, he began to sketch a map of his apartment.

"This is First Avenue, O.K.? And this is south, north, the U.N. and the East River," Mr. Vilar said. "It is in my living room where I'm going to get knocked out, for what it's worth: the Empire State Building, if you think that's so great." The tone of his voice made it quite clear he doesn't. "But you can't take my view of the U.N., you can't take my view of Wall Street, you can't take my view west and you can't take my view north." All told, he estimated that the tower will obstruct no more than "eight degrees" of his view. "So the statement [Mr. Trump] made was absurd because he's never been to my apartment."

Mr. Trump might like Mr. Vilar's apartment. The living room is all marble, mirrors and gold paneling, Oriental carpets and yellow couches embroidered with Chinese designs. There are large statues testifying to his love for the opera: young Mozart with his violin, a golden-masked Don Giovanni, and numerous boys playing cellos and lutes.

Mr. Vilar, who was once called "the most important man in opera" by The Guardian, has given tens of millions of dollars to opera houses around the world, including the Metropolitan, which renamed its Grand Tier for Mr. Vilar in honor of a \$25 million gift. These days, Mr. Vilar, who is divorced and has no children, sees about 100 operas a year. He generally sits in the front row. After performances at the Met, he often has the company and friends up to the Vilar Grand Tier for dinner.

He grew up in Cuba and Puerto Rico, where his father owned sugar plantations. His parents were divorced, and he was for the most part raised by his grandmother. He eventually came to America to attend Washington & Jefferson College in Pennsylvania.

Mr. Vilar's family lost everything when Fidel Castro came to power in Cuba. "We were wiped out," Mr. Vilar said. His allowance dried up. When he graduated, his father pushed him to take a job in banking. "You have to appreciate that I was destitute," he said. "My father suggested I come to New York and work for Citibank ... because the banks finance the sugar crops, and Citibank probably had the largest share of the market of any bank."

Before long, he left the bank and started playing the stock market for Drexel Burnham Lambert. He started off investing in growth stocks like Rubbermaid-back when Rubbermaid spatulas were deemed high-tech-and in the late 1960's decided to invest in the new technology of superconductors. He was on to something.

By 1980 he had amassed the fortune and the track record to strike out on his own. He founded Amerindo. Today, the fund manages \$6.5 billion, most of it for pension funds and large institutional investors.

Mr. Vilar's approach to investing has left some watchers anticipating a spectacular stumble. Basically, he sinks all his money into 20 stocks or so-usually brand-new companies in high-growth sectors of the economy-and holds on for dear life.

"His strategy is one of the riskiest in the entire mutual-fund universe," said Mr. Cooley. "He basically takes a risky sector (technology), adds more risk by focusing on the riskiest part of that sector (the Internet), then makes it riskier still by owning a relative handful of stocks."

But Mr. Cooley added, "the results have been spectacular."

Mr. Vilar bought AOL at 30 cents a share, Cisco at 60 cents. Indeed, the worst mistakes he's made in his life, he said, have been selling the right stocks too early. In the early years, he had a rule that Amerindo would sell out when companies reached a market cap of \$1 billion. That's where he divested himself of Microsoft, which is now valued at almost \$500 billion.

"My mandate," he said, "is to be a butterfly and invest in these companies for a couple of years and then sell them and go find something else."

To the naysayers who see tech stock freefall inside every market pothole, Mr. Vilar gloated, "I'm laughing all the way to the bank."

And he remains convinced, even if no one else is, that he'll have the last laugh on Donald Trump, too.

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